SEVENTY-NINTH REPORT

PUBLIC ACCOUNTS COMMITTEE

(1986-87)

(EIGHTH LOK SABHA)

SHORT-BILLING OF TELEPHONE CALL CHARGES OF HEAVY CALLERS

MINISTRY OF COMMUNICATIONS

(DEPARTMENT OF TELECOMMUNICATIONS)

Presented in Lok Sabha on 10 *April*, 1987
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(EIGHTH LOK SABHA)

Page	Para	Line	For	Read
(vii)	-	3 from bottom	E. AWYAPU REDDY	E. AYYAPU REDDY
12	1.29	4	mare	care
14	1.30	17	strowger	Strowger
15	1.31	7	fornight	fortnight
15	1.31	20	replactd	replaced
16	1.35	2 from bottom	however	hosoever
30	2.32	6	defficiencies	deficiencies
36	1.30	2	Dep. of Telecommuni-cations	(Dep. of Telecommuni-cation)
36	1.30	5	strowger	Strowger

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Minutes of the sittings of Public Accounts Committee held on :

(i) 10 July, 1984

(ii) 25 September, 1986

(iii) 23 March, 1987

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(1986-87)

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INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf, this 79th Report of the Committee on paragraph 15 of the Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (P&T) relating to short-billing of telephone call charges of heavy callers.

2. The Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (P&T) was laid on the Table of the House on 23 March 1984.

Four-digit meters installed in earlier years in certain telephone exchanges to record the number of local calls (including units of STD calls) record a maximum of 9999 calls, after which they revert (with the next call) to 0000 position again. Thus, if the calls made during any billing period exceed 10,000 numbers, the meter would indicate calls in excess of 10,000 with the result that there might be short billing for 10,000 calls for that period. To obviate such short-billing more frequent meter readings in the case of all heavy callers were prescribed in the telephone exchanges. The Department had also decided in 1964 to replace 4-digit meters by 5-digit meters as soon as possible. The Department had then decided to replace on priority the 4-digit meters in heavily worked exchanges by 5-digit meters. The Committee in their 40th Report (1968-69) (Fourth Lok Sabha), had recommended that due to limited capacity of the Indian Telephone Industries to supply 5-digit meters they were not able to meet the full requirement of the Department and therefore the Government should explore the possibility of getting this item from manufacturers of other types of meters like electricity meters so as to replace 4-digit meters by 5-digit meters at the earliest. The Committee had also suggested that till 4-digit meters were replaced by 5-digit meters, it should be ensured that readings of 4-digit meters of all heavy callers were undertaken at least every fortnight to avoid under-billing and consequent loss of revenue. While accepting both these recommendations, the Department had stated that in addition to supply from ITI, they were trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. However, the supply position of this item from ITI and its vendors had been very poor. As against the order for 1,45,376 pieces placed on

ITI during 1981-82, only 25,753 (about 18 per cent) were supplied by March 1984 and during the next 5 years 1982-83 to 1986-87 (upto 30-9-86) a paltry 34,849 pieces were supplied, leaving a balance of 95,174 pending supply with the ITI as on 1-10-86. An additional purchase order for supply of 1,33,000 5 digit meters was placed on the undertaking on 18-9-1986. Thus, the total orders pending now with the ITI are for 2,28,174 number aggravating the gap between demand and supply.

The ITI is procuring these DM's from two indigenous sources. The supplies from these vendors are not sufficient to meet the total requirement of ITI and the DOT both for expansion and replacement. The Committee have noted that two more units with expected supply of 20,000 meters each per year are being developed as alternate sources for supplying these meters and their samples have since been approved. Taking note of the fact that the average indigenous supply rate of 5-digit meters from ITI and its vendors is about 14,000 pieces per year and the item is not available for import in the world market, the Committee have expressed apprehensions that the work of replacement of 4-digit meters even in the exchanges having STD facilities may take the Department another two decades to accomplish this first phase of the project. Complete elimination of 4-digit meters from all exchanges (whether strowger or others) having this old type of meters would need a further period of 15 years. This is squarely a situation which can not be viewed with equanimity.

The Committee have observed that inspite of the decision taken as early as in 1964 to replace all the 4-digit meters in the country by 5-digit meters, as soon as possible, there is hardly any improvement in the situation today, that is after 23 years. On 1-4-1986, there were still in use 5,19,000 4-digit meters, very nearly the same number (6.81 lakhs) as in 1968-69. The Committee have, therefore, recommended that Government should undertake an emergent review of the entire situation with a view to accelerate the replacement of existing 4 digit meters by 5-digit meters in the shortest possible period.

4. The Public Accounts Committee examined this para at their sittings held on 10-7-84 and 25-9-86. The Committee considered and finalised this Report at their sitting held on 23-3-87. Minutes of the sittings form Part II of the Report,

5. A statement containing recommendations and observations of the Committee appended to this Report (Appendix). For facility of reference these have been printed in thick type in the body of the Report.

6. The Committee place on record their appreciation of the assistance rendered to them in the examination of this paragraph by the Office of the Comptroller and Auditor General of India.

7. The Committee would also like to express their thanks to the officers of the Ministry of Communications (Department of Telecommunications) for the cooperation extended by them in giving information to the Committee.

NEW DELHI;
8 *April*, 1987
18 *Chaitra*, 1909 (*Saka*)

E. AWYAPU REDDY
Chairman,
Public Accounts Committee.

REPORT

SHORT-BILLING OF TELEPHONE CALL CHARGES OF HEAVY CALLERS

Audit Paragraph

1.1 The Director General, Posts and Telegraphs decided in 1970 that the 4-digit meters of all heavy traffic subscribers should be replaced by 5-digit meters.

1.2 STD facilities were introduced in the Rourkela Steel Plant and Township Telephone Exchanges from August, 1979. This made it all the more necessary to provide 5-digit meters early. But even in June 1982, 5-digit meters had been installed only for 360 of the 3138 working connections in the plant and township exchanges and the rest continued to have 4-digit meters.

1.3 The 4-digit meters can record a maximum of 9,999 calls after which the meter reverts to 0000 position. Thus, if meter reading is delayed, 10,000 calls (or a multiple thereof) may be over-looked. To avert this possibility, the departmental rules prescribed certain safeguards including maintenance of list of heavy callers and fornightly meter readings.

1.4 A test check in audit of 2 exchanges at Rourkela in July 1982 revealed that the various checks prescribed in the departmental rules were not followed strictly either by the exchanges or by TRA branch. The register of heavy callers was not maintained by the TRA branch and consequently 157 full revolutions (in the meters of 146 private subscribers) for the period from January 1980 to January 1982 were not billed for by TRA branch, which resulted in short recovery of Rs. 6.92 lakhs.

1.5 Director General, Posts and Telegraphs stated (July 1983) that in 89 of these 146 cases bills for Rs. 3.61 lakhs had been issued and Rs. 0.85 lakhs had been realised by July 1983. In the remaining 57 cases, bills ere not to be issued as the notings of meter readings in thousandth and hundredth digits were found to be incorrect. However, the particulars of these 57 cases have not yet been intimated to audit.

[Paragraph 15 of the Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (P&T)]

PART I

CHAPTER I

REPLACEMENT OF 4-DIGIT METERS BY 5-DIGIT METERS IN ALL THE TELEPHONE EXCHANGES IN THE COUNTRY

1.6 The Committee in their 40th Report (1968-69) (Fourth Lok Sabha) had observed that a test-checking of bills for the Telephone Exchange in Bombay had revealed that in 32 cases short billing had resulted owing to infrequent readings of meters with provision of 4 digits only. The Department had then decided to replace 4-digit meters in heavily worked exchanges by 5-digit meters. Noting that the capacity of the Indian Telephone Industries (ITI) to supply 5-digit meters being limited, it would take a long time to replace 4 digit meters by 5-digit meters in heavily worked exchanges, the Committee had suggested that Government should examine the possibility of getting telephone meters of 5-digits from manufacturers of other types of meters like electricity meters so as to replace the 4-digit meters at the earliest to avoid loss of revenue. The Committee had also then suggested that every care should be taken to ensure that meter readings from 4-digit meters were undertaken at least once a fortnight to avoid under-billing. The then Department of Communications (P&T Board) in their action taken note dated 17-7-1969 had, *inter-alia,* stated that in addition to the supply from ITI, they were also trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. According to the supply programme of 5-digit meters for the five years (1969-70 to 1973-74) indicated by M/s. ITI, the total availability of this item both from the undertaking and through indigenous purchase was estimated to be 13.84 lakhs out of which 6.81 lakhs were earmarked for replacements. Though on the basis of past experience these targets were considered to be too optimistic, the Department continued to pursue the question of supplies with ITI. The Department had also then assured the Committee that unless all 4-digit meters were replaced by 5-digit meters, reading would be taken every fortnight.

1.7 According to Audit Para, the Director General, Posts and Telegraphs decided in 1970 that the 4-digit meters of all heavy traffic subscribers should be replaced by 5-digit meters. On being enquired

what concrete steps were taken by the Directorate to ensure that their decision taken in 1970 to replace 4 digit meters of all heavy traffic subscribers by 5 digit meters, was implemented in letter and spirit by the lower formations, the Ministry of Communications have stated:

> "After taking the decision in 1970 that all the 4 digit meters of all heavy traffic subscribers should be replaced by 5 digit meters, all field units were addressed in the matter and it has been observed that 4 digit meters of identified heavy traffic subscribers have since been replaced by 5 digit meters, but in order to complete replacement of 4 digit meters by 5 digit meters, field units still require about two lakh 5-digit meters. M/s. ITI procure these meters from indigenous sources and supply them to P&T, but ITI is not able to supply these meters in sufficient quantity to meet the requirements of P&T. There is a proposal to procure the required quantity of these meters directly by P&T from the available indigenous sources. In case no indigenous supplier is able to meet the demand, import will be considered.
>
> In addition to the above, field units have also been asked to provide all STD subscribers with 5 digit meters by re-arranging meters from the STD barred subscriber groups."

1.8 In a note dated 27-11-1986, the Department of Telecommunications have stated that the total number of heavy traffic subscribers in the country as on 31-3-1986 was 86,394 and 4 digit meters of all of them have since been replaced by 5-digit meters.

1.9 The Committee pointed out that a normal subscriber might become a heavy caller anytime. The Committee, therefore enquired what was the definition of a heavy caller and by what method a heavy caller was distinguishable from a normal subscriber. The Department of Telecommunications have, in a note, stated:

> "In terms of Para 132(vii) of P&T Manual Volume XIV "heavy callers" refers to the subscribers who make over 5,000 calls (STD & Local) per bi-monthly period in the case of exchanges where four digit meters are in use. But the the limit of 5,000 calls has been raised to 10,000 where the telephones so provided are connected to 5 digit meters. The subscribers having their Telephones STD barred are also identified as heavy callers if their calling pattern falls in the range mentioned above."

1.10 Asked what was the total number of 4-digit metres in the country from 1972-73 onwards and out of that the number of 4 digit meters replaced by 5-digit meters and the balance requiring replacement at the end of each year

The Ministry of Communications have stated:

"The figures in respect of the years 1983-84, 1984-85 and 1985-86 are furnished below. The figures for the previous years commencing from 1972-73 could not be collected from all the exchanges in the country because of the magnitude of the data involved. However, all the General Managers have been requested and reminded telegraphically by the Directorate to give these figures as early as possible. The process being a long drawn one would require enormous efforts to collect much data.

(i) The total number of 4-digit meters in the country are given below:

As on 31-3-84 : 5,34,309
As on 31-3-85 : 5,23,308
As on 31-3-86 : 5,19,200

These figures include all exchanges having measured rate tariff structure.

(ii) The number of 4-digit meters replaced by 5-digit meters are as given below:

1984-85	1985-86
11,001	8,853

The balance number of meters requiring replacement at the end of each year has been indicated above. (All the new exchanges installed now are being provided with 5-digit meters)

(The figure of 2,74,271 given in the earlier evidence related only to all the exchanges having STD facilities whereas the figures now furnished include all the telephones having measure rate tariff structure).

1.11 The Department of Telecommunications have furnished a statement showing the position of 5-digit meters procured by ITI

from all sources, internal consumption in ITI and the quantity supplied to DOT from 172-73 onwards. The same is given below:

Year	Supplies received from various sources	Internal consumption to provide meters in the equipt. manufactured in ITI	Quantity supplied to DOT
1972-73 .	1,94,506	1,54,699	14,300
1973-74 .	1,20,642	1,05,101	2,849
1974-75	80,033	67,681	nil
1975-76.	50,077	74,845	26,700
1976-77 .	1,45,947	83,695	36,937
1977-78 .	1,54,787	78,914	29,874
1978-79 .	1,28,006	1,39,749	5,194
1979-80 .	1,21,630	1,04,300	23,296
1980-81 .	86,683	64,323	5,170
1981-82 .	82,790	89,376	25,753
1982-83 .	1,29,098	1,35,945	3,900
1983-84 .	55,541	40,115	nil
1984-85 .	84,235	80,351	6,246
1985-86 .	94,275	90,975	10,400
1986-87 . . (upto Sept. 86 end)	38,331	23,000	14,223
	15,66,581	13,30,069	2,04,922

1.12 In this regard, the Member (Telecom. Operation) stated in evidence:

> "They were supplying more with the new exchanges rather than for replacement."

To a question whether that was the policy of the P&T Board, the witness stated:

> "Otherwise the new exchanges will be with four DMs."

1.13 The Department of Tele-communications have also furnished a statement showing the quantity of 5-digit meters orders on the ITI

and the number supplied by the undertaking for replacement of 4-digit meters since 1972-73. The same is given below:

Statement of supply/demand of 5-digit meters for replacement of 4-digit meters since 1972-73

Sl. No.	Year	Additional Quantity ordered	Backlog of previous year	Total (3)+(4)	Quantity supplied during the year	Balance pending supply at the end of year
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	1972-73 .	1,03,300	14,300	1,17,600	14,300	1,03,300
(b)	1973-74 . .	..	1,03,300	1,03,300	2,849	1,00,451
(c)	1974-75	2,000	1,00,451	1,02,451	Nil	1,02,451
(d)	1975-76 .	4,000	1,02,451	1,06,451	26,700	79,751
(e)	1976-77	720	79,751	80,471	36,937	43,534
(f)	1977-78 .		43,534	43,543	29,874	13,650
(g)	1978-79 .	..	13,660	13,650	5,194	8,466
(h)	1979-80 . .	20,000	8,466	28,466	23,296	5,170
(i)	1980-81 .	..	5,170	5,170	5,170	Nil
(i)	1981-82 .	(i) 4,000	Nil		4,000	Nil
		(ii) 1,41,376	Nil	1,45,876	21,753	1,19,623
(k)	1982-83	3,900	1,19,623	1,23,523	3,900	1,19,623
(l)	1983-84	Nil	1,19,623	1,19,623	Nil	1,19,623
(m)	1984-85 .	6,500	1,19,623	1,26,123	6,246	1,19,877
(n)	1985-86 . .	Nil	1,19,877	1,19,877	10,480	1,09,397
(o)	1-4-86 to 18-9-86	Nil	1,19,397	1,09,397	14,223	95,174
		2,85,796			2,04,922	
	Add backlog upto 1971-72 . .	14,300				
	GRAND TOTAL	3,00,096				

(Average 13,700 per year)

1.14 Referring to the balance of 95,174 Nos. outstanding as on 18-9-1986, the Committee desired to know whether any fresh order has been placed on ITI. The Department of Tele-communications have stated:

> "Out of the earlier orders 95,174 Nos. of meters are outstanding as on 30-9-1986. An additional purchase order for supply of 1,33,000 5-digit meters has been placed on M/s. ITI Ltd., Bangalore on 18.9.1986. Total orders pending now are 2,28,174 nos."

1.15 Explaining the difficulties faced by the Department in procuring this item from the ITI, the Communications Secretary stated in evidence:

> "We were depending upon the supply of these DMs from ITI who were procuring from two sources—one is Keltron and another a small sector firm in the private sector located at Bangalore. Substantial orders have been placed on them. But we find that the quality of DMs which are being supplied, have not been meeting the requirement. Therefore, it has not been possible for us to change it and have them installed, because they may cause more problems than the 4-DMs. Moreover, this type of DMs are also not available for import from foreign countries. These were two difficulties."

1.16 Referring to the above statement of the witness that the quality of 5-digit meters being supplied through ITI was not upto the mark, the Committee wanted to know the steps taken to get improved quality meters from Keltron and another private firm at Bangalore. The Ministry of Communications, in a note, have stated:

> "We are getting supply through M/s. ITI... Since these meters are required for registering the calls made by the subscribers, they are subjected to rigorous testing by ITI for its performance. The supplies from these manufacturers are not found to be of desired specifications and large numbers are failing under specified rigorous tests. To fill up the gap between supply and demand, ITI proposes to import these meters and have already floated a tender enquiry."

1.17 The Committee have been informed that the equipment supplied by M/s. ITI are tested and passed by the Inspection and testing team before despatch.

1.18 Asked what was the percentage of rejection in respect of supplies made by each vender each year. The Department of Telecommunications have stated:

> "Percentage of rejection in respect of supplies made by both M/s. KELTRON and M/s. MORALI is on an average 10 per cent for years 1985-86 and 1986-87."

1.19 The Committee enquired about the fate of tender enquiry stated to have been floated in early 1984. The Department of Telecommunications have, in a note, stated:

> "M/s. ITI Bangalore made efforts to import meters by floating global tenders. They are able to procure one lakh 5-digit meters for Crossbar Exchanges. M/s. ITI could not get source for supply of 5-digit meters for Strowger Exchanges."

1.20 The Committee asked (i) what was the production capacity of each supply unit (Vendor) and (ii) what was the year-wise number of 5-digit meters procured by ITI from each of them. The information furnished by the Ministry of Communications in this regard is given below:

> "Production capacity of each vendor can be taken as 50,000 nos. each year.
>
> M/s. KELTRON & M/s. MAROLI meters are the two sources to supply 5-digit meters.
>
> Year-wise supplies offered by them are furnished below:

Year	Keltron	Maroli	Tota
1983-84 .	33,615	21,926	55,541
1984-85 .	57,231	27,004	84,235
1985-86 .	68,496	25,779	94,275
1986-87 . .	15,514	22,017	37,531
(upto Sept., 86)	1,74,856	96,726	2,71,582

> Supplier-wise details prior to 1983-84 are not available."

1.21. The Committee enquired whether the units engaged in production of 5-digit meters are functioning satisfactorily so far as

supply of this item is concerned. The Committee also desired to know the steps taken by the ITI/DOT to increase and standardise their production. The information furnished by the Department of Telecommunications, is given below:

"Two units are in regular supply of this item. Third unit is yet to be tried for bulk supplies. The supplies from two units i.e. M/s. Keltron and M|s. Maroli are not satisfactory as they are unable to supply adequate quantities. This is due to labour and power problems. M/s. ITI have entered into long term contract with these concerns in order to assure them for continuous flow of orders and payments are arranged against delivery by establishing letters of credit. Necessary technical guidance and discussions are also held with units by ITI for solving any technical problem.

Item has been standardised. But in view of induction of electronic exchanges the requirement of this type of meters will be gradually reduced."

1.22. Since the supply of 5-digit meters from the existing vendors of ITI was not matching with the requirements of the Department, the Committee asked what steps have been taken by ITI|DOT to explore new sources of supply of this item from 1972-73 till date? The Department of Telecommunications have stated:

"5-digit subscriber meters are supplied by M|s. ITI to DOT. The following steps were taken by ITI Bangalore.

During 1972:

M|s. ITI floated a tender to develop vendors for procurement of 5-digit meters. The following Firms were placed educational orders.

(i) M|s. Metropolitan Instruments, Trivandrum (now called Keltron)

(ii) M|s. Maroli Asuch Meters Ltd., Bangalore, (now called M|s. Naroli Meters)

(iii) M|s. Bombay Burma Trading Co. Bombay

(iv) M|s. Jaipur Metal Works, Jaipur

(v) M|s. Nipon Electronics, Bangalore

(vi) M/s. National Radio Corporation, New Delhi

(vii) M|s. Production Tool Engineers, Bangalore

(viii) M|s. SIMCO Meters, Trichinopoly

The firms listed in (iii) to (viii) could not execute the orders.

During 1978:

M|s. ITI again floated tenders to develop additional vendors in addition to M|s. Keltron Trivandrum and M|s. Maroli Meters Ltd., Bangalore. The firms (iii) to (viii) listed below, could not execute the educational order.

(i) M|s. Keltron, Trivandrum

(ii) M|s. Maroli Meters Ltd., Bangalore

(iii) M/s. Precicount, Bangalore

(iv) M|s. Matharu Associates, New Delhi

(v) M|s. Sadananda Electronics, Bangalore

(vi) M|s. Electro Mech. Devices, Pliachi

(vii) M|s. International Instruments, Bangalore

(viii) M|s. Telex Meters, Bangalore.

During 1983:

A further effort to develop additional vendors was made by ITI in 1983. A team of ITI officers visited the following firms to encourage them to produce 5-digit meters.

(i) M|s. Auto Electric Enterprises, Bombay

(ii) M|s. W. S. Insulators, Madras

(iii) M|s. Meter Aids Ind., Jabalpur

(iv) M|s. Universal Meters, Bangalore

(v) M|s. Precol, Coimbatore

(vi) M|s. India Meters Madras

(vii) M|s. Indicators Mfg. Co., New Delhi.

The firms did not respond even though drawings and technical information was given to them during the visit and afterwards.

During 1986:

M|s. Rao Insultating Co. Bangalore took interest in manufacture of 5-digit meters. The sample has been found suitable. In addition, sample of 5-digit meters of another firm M|s. Lukon Engineering, Bangalore has also been approved. Order is yet to be placed."

1.23. In another note, the Department of Telecommunications have stated:

> "M|s. LUCON, Bangalore and M|s. Rao Insulating. Bangalore are being developed as alternative sources for supplying these meters. Department expects about 20,000 Meters per year from each of these new sources. With the availability of additional quantity, the department will be able to replace all these 4-digit meters in the next three years."

1.24 To a question whether the required machines for production of this item were available indigenously, the Department of Telecommunications replied in the affirmative.

1.25 The Committee pointed out that at the average supply rate of about 14,000 5-digit meters per year it would take the ITI a very long time (say about 36 years more) to meet the full requirement of the Department for replacing the existing 5-digit meters (of all exchanges in the country having measures rate tariff structure) totalling 5,14,455 as on 31-3-1986 and wanted to know whether an overall assessment of the total requirement of this item was made from time to time and a comprehensive programme drawn accordingly to accomplish the task in a phased manner. The Ministry of Communications have stated:

> "The overall assessment of the existing 4-digit meters was made from time to time as shown in Paragraph 1.10 above. A comprehensive programme has already been drawn with M/s. ITI who is the sole supplier of these 5-digit meters, to replace all the 4-digit meters in all exchanges having STD facility, in a phased manner. Due to shortage of supply from M/s. ITI, there has been a tremendous backlog of supply of 5-digit meters reaching a figure of more than 2 lakhs. Other vendors have also been developed by the Department for the supply of this item and is expected that the entire backlog will be cleared during the course of next years."

1.26 Asked what was the latest position about replacement of all other 4-digit meters of normal traffic subscribers in the country by 5-digit meters. The Department of Telecommunications, in a note, have stated:

> "In this connection, it is intimated that remaining 2,74,271 four digit meters are being replaced by 5-digit meters by the field units progressively depending upon supply position."

1.27 To a question by when this job was expected to be accomplished, the Department of Telecommunications have stated that this will depend upon the supply position and is being kept under watch.

1.28 Four digit meters installed in earlier years in certain telephone exchanges to record the number of local calls (including units of STD calls) record a maximum of 9999 calls, after which they revert (with the next call) to 0000 position again. As such, if total number of calls made during any building period exceeds 10,000 the meter would indicate calls in excess of 10,000 with the result that there might be short billing for 10,000 calls for that period. To obviate such short-billing more frequent meter readings in the case of all heavy callers were prescribed in the telephone exchanges at Bombay. However, a test check of the bills in the telephone exchanges in Bombay conducted in 1966-67 disclosed that in 32 cases, under-billing to the extent of Rs. 48,838 had resulted due to infrequent reading of meters of 4-digits during the period April 1960 to June 1967. Replacement of 4-digit meters in all heavily worked exchanges by 5-digit meters was then decided by the Government. This was brought out in the Audit Report on P&T for the year 1968. The Committee while commenting on this anomaly had recommended that the capacity of the Indian Telephone Industries (ITI) to supply 5-digit meters being limited, Government should explore the possibility of getting this item from manufacturers of other types of meters like electricity meters so as to replace all the 4-digit meters by 5-digit meters at the earliest to avoid loss of revenue. The Committee had also suggested that till 4-digit meters were replaced by 5-digit meters, it should be ensured that readings of 4-digit meters of all heavy callers were undertaken at least every fortnight to avoid under-billing and consequent loss of revenue. While accepting both these recommendations, Government had stated that in addition, to supply from ITI they were trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. Government had also assured the Committee that fortnightly readings of all 4-digit meters would be taken.

1.29 The Committee also note that the Indian Telephone Industries (ITI) are not in a position to meet the total requirements of the Department for the 5-digit meters. Their present production is barely sufficient to take mare of the expansion schemes of the Department. As against the order for 1,45,376 pieces placed on ITI during 1981-82, only 25,753 nos. (about 18%) were supplied by March 1984

and during the next 5 years 1982-83 to 1986-87 (upto 30-9-1986) a paltry 34,849 were supplied (no supplies were made during 1983-84) leaving a balance of 95,174 pieces pending supply with the ITI as on 1-10-1986. An additional purchase order for supply of 1,33,000 5-digit meters was placed on the under-taking on 18-9-1986. Thus the total orders pending now with ITI are for 2,28,174 nos. This illustrates the gap between demand and supply. The ITI is procuring these DMS from two indigenous sources M/s. Keltron and M/s. Maroli Meters, Bangalore. The annual production capacity of each of these vendors is stated to be 50,000 nos. The supplies from these manufacturers are not sufficient to meet the total requirement of ITI and the DOT. Moreover, these are not found to be of required specifications. Large numbers were found to fall short of specified rigorous tests. The supplies from each of these manufacturers during the 4 years 1983-84 to 1986-87 were 1,74,856 and 96,826 (total 2,71,852) respectively. Whereas average production of this item at M/s. Keltron had reached its maximum capacity (about fifty thousand per year), M/s. Maroli Meters could achieve only 55 per cent of their rated capacity although supplies from that unit were regular. Since the machines for production of 5-digit meters are available indigenously, the Committee desire that M/s. Keltron may be encouraged and helped to increase their production capacity to at least 1,00,000 pieces per year. The Department of Telecommunications should also provide all technical assistance to M/s. Maroli Meters and ensure that this Unit attains its rated capacity of 50,000 meters per year. The Committee also hope that efforts would be made to come over labour and power problems being faced by these two units. The Committee are happy to note that two Units—M/s. Lucon Engineering, Bangalore and M/s. Rao Insulating Co., Bangalore are being developed as alternate sources for supplying these meters and their samples have since been approved. The Department expected about 20,000 meters per year from each of these new sources. The Committee hope that orders have been placed and bulk supplies since commenced from these Units. They would like to be informed of the progress made in this regard.

1.30 To bridge the gap between demand and supply of 5-digit meters, the ITI made efforts to import meters by floating global tenders but it did not fully succeed in its efforts. One lakh 5-digit meters imported were for cross-bar exchanges but a supplier for these meters for strowger exchanges could not be located. The Department has, however, to depend on indigenous sources only. A comprehensie programme is stated to have been drawn up recently

with the ITI to replace all the 4digit meters in all exchanges having STD facility, in a phased manner. The Committee regret to note that all the efforts of the Department of Telecommunications are directed towards replacing 4-digit meters only in exchanges having STD facilities. They have made no mention of the existing 4-digit meters in the country numbering 5,19,200 as on 1-4-1986 covering all exchanges having measured rate tariff structure. While the Committee appreciate the various steps that are being taken to resolve this urgent problem, it is clear that much more needs to be done in this direction and whatever has to be done is done expeditiously. Taking note of the fact that the average indigenous supply rate of 5-digit meters from ITI is about 14,000 pieces per year and the item is not available for import in the World market, the Committee apprehend that the work of replacement of 4-digit meters even in the exchanges having STD facilities may take the Department another two decades to accomplish this first phase of the project. Complete elimination of 4-digit meters from all exchanges (whether strowger or others) having this type of meters would need a further period of 15 years i.e. in all about 35 years are required to do the job. This is squarely a situation which can not be viewed with equanimity.

1.31 It was in 1968-69 that the Committee had in paragraphs 2.25 and 2.26 of their 40th Report (Fourth Lok Sabha) made following recommendations in regard to installation of 5-digit meters:

> "2.25 The Committee note that a test checking of bills for the Telephone Exchange in Bombay had revealed that in 32 cases, short billing to the extent of Rs. 48,838 had resulted owing to infrequent readings of meters with provision for 4 digits only. The Committee note that the Department have now decided to replace the 4 digit meters in heavily worked exchanges by 5 digit meters. The Committee feel that if the Department had exercised due care in the beginning, they would have provided 5 digit meters ab initio in heavy exchanges, as is now being done for exchanges fitted with crossbar equipment."

> "2.25 The Committee note that the capacity of the Indian Telephone Industries to supply 5 digit meters is limited and that it would take three years to replace 4 digit meters by 5 digit meters in heavily worked exchanges. The Committee suggest that Government may examine the possibi-

lity of getting the telephone meters of 5 digits from manufacturers of other types of meters like electricity meters so as to replace the 4 digit meters at the earliest to avoid loss of revenue. In the meantime the Committee stress that every care should be taken to ensure that meter readings from the 4 digit meters are undertaken at least once a fornight to avoid under-billing of the nature indicated in the Audit para."

The then Department of Communications (P & T Board) in their Action Taken Note dated 17-7-1969 had, inter alia, stated that in addition to the supply from ITI, they were also trying to establish independent indigenous sources in private sector for manufacture and supply of 5 digit meters. According to the then supply programme of these meters for the five years (1969-70 to 1973-74) indicated by M/s. ITI, that total availability of this item both from the undertaking and through indigenous purchase was estimated to be 13.84 lakhs out of which 6.81 lakhs were earmarked for replacements. The Department had assured that they would continue to pursue the question of supplies with the ITI. They had also then given assurance that unless 4-digit meters were replactd by 5-digit meters, meter reading would be taken every fortnight.

1.32 Despite these decisions and the assurances the Committee are appalled to find that hardly any improvement in the situation has taken place today, that is after 23 years. On 1-4-1986, there were still in use 5,19,000 four-digit meters, very nearly the same number as in 1968-69.

1.33 The Committee can only reiterate their earlier recommendations and in addition record their desire that Government undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing four-digit meters by five-digit meters in the shortest possible period, laying down at the same time a machinery for ensuring that the progress in the implementation of the direction is adequate.

1.34 According to the latest position furnished by the Department of Telecommunications in this regard on 27-11-1986, the Committee understand that all the heavy traffic subscribers in the country have been identified upto 31-3-1986 and their 4-digit meters numbering 86,394 been replaced by 5-digit meters. The Ministry of Communications intimated on 6-6-1986 that the remaining 2,74,271

4-digit meters relating to all the exchanges in the country having STD facility would be replaced by 5-digit meters progressively depending upon the supply position and this is being kept under watch. In addition to the above, field units have also been asked to provide all STD subscribers with 5-digit meters from the STD-barred subscriber groups. ..

1.35 The Committee feel that as the calling rates of telephone subscribers vary from time to time depending on the exigencies of their needs it is all the more necessary to complete this job at the earliest. The Committee, therefore, desire that keeping in view the need of replacements and expansion, more vigorous efforts are called for to procure 5-digit meters from all possible sources and instal them in place of existing 4-digit meters in the country under a phased time bound programme. The Committee would emphasise the need for locating more new sources of supply of 5-digit meters from amongst the manufacturers/suppliers of electricity/water and other types of meters in private/cooperative sector. The Committee feel that in this age of high technology, it should not be impossible to establish adequate production of this item however critical it may be.

CHAPTER II

PROVISION OF 5-DIGIT METERS IN PLACE OF EXISTING 4-DIGIT METERS IN ROURKELA TELEPHONE EXCHANGES

2.1 The Audit Para points out that with the introduction of STD facilities in the Rourkela Steel Plant and Township Telephone Exchanges from August 1979 it became all the more necessary to provide 5 digit meters there early. But by June 1982, such meters had been installed only for 360 of the 3138 working connections (about 11.5 per cent) in these exchanges and the rest continued to have 4 digit meters.

2.2 Explaining the position about replacement of 4 digit meters by 5 digit meters in Rourkela exchange, the Ministry of Communications, in a note, have stated:

> "Rourkela Exchange was not having STD facility before 1979. All telephones in Exchanges were provided with 4 digit meters only. 5 digit meters is a critical item supplied by the ITI, and the supplies are not matching the requirements. The present production is just able to take care of the expansion scheme of the department and the equipment for new expansions are supplied with 5 digit meters.
>
> The I.T.I. has taken up the matter with their vendors. The requirement of 5 digit meters for the country as a whole was assessed as 1,41,376 by the Directorate in June 1981 and order was placed on M/s. I.T.I. on 20th August, 1981. Till now only 18,753 meters have been supplied by the end of March 1984. This explains the gap between the need and the supply.
>
> The I.T.I. is being asked to supply 6,500 numbers of 5 digit meters to Orissa Circle as a special case on priority basis."

2.3 In this regard, the Ministry of Communications have further stated:

> "A purchase order for 6500 Nos. 5-digit meters has been placed on M/s. ITI vide letter No. 24-1/80-MMC dated

30-7-1984 for supply to General Manager (GM) Telecom., Orissa Circle, Bhubaneswar on 'Top Priority'."

2.4 Dwelling on the efforts made by the General Manager, Orissa Circle since 1970 and more particularly since August, 1979 when STD facilities were introduced in the Rourkela Steel Plant and Township telephone exchanges, to ensure that 4 digit meters of all heavy callers these were replaced by 5 digit meters at the earliest, the Ministry of Communications have stated:

"At present, the Rourkela Plant and Township Exchanges put together have 3,598 working connections. Out of this, 810 telephones have been fitted with 5-digit meters. The balance viz. 2,788 telephones are yet to be provided with 5 digit meters. The replacement of 4-digit meters by 5-digit meters is held up due to the non-supply/shortage of 5-digit meters."

2.5 In another note, the Ministry of Communications, have stated:

"Though G.M. Telecom., Orissa Circle, Bhubaneshwar was projecting his requirement of 5-digit meters to the P&T Directorate from time to time his demand for the meters could not be met due to the slippage of supplies from I.T.I. and vendors of I.T.I.

The number of heavy callers in the Rourkela Steel Plant and Township exchanges is only 121 out of which 10 have been provided with 5 digit meters.

It has been further clarified that technically it is not possible to replace the 4-digit meters by 5-digit meters in isolated cases of heavy callers unless the entire batch of 40 meters is replaced."

2.6 Asked by when the remaining 2788 telephones were expected to be provided with 5-digit meters, the Ministry of Communications have stated:

"The Rourkela Plant and Township exchanges are in the Orissa Telecom. Circle. The replacement of meters to the balance of 2788 telephones in both the above exchanges will only be possible after receipt of the supply of 5-digit meters. As per latest information available from ITI, 1000 meters are under despatch to Orissa Circle. All efforts are being made to arrange the supply of balance 1788, 5-digit meters to Orissa Circle."

2.7 In a subsequent note dated 25-6-1986, the Department of Telecommunications have stated that all the 4-digit meters including those of heavy traffic subscribers in the Rourkela Steel Plant and Township telephone exchanges have since been replaced by 26-8-1985.

2.8 The Audit Para points out that 4-digit meters can record a maximum of 9999 calls after which the meter reverts to 0000 position. Thus, if meter reading is delayed, 10,000 calls (or a multiple thereof) may be overlooked. To avert this possibility, the departmental rules prescribe certain safeguards including maintenance of list of heavy callers and fortnightly meter readings. However, a test-check in Audit of 2 exchanges at Rourkela in July 1982 revealed that the various checks prescribed in the departmental rules were not followed strictly either by the exchanges or by TRA Branch. The register of heavy callers was not maintained by the TRA branch and consequently 157 full revolutions (in the meters of 146 private subscribers) for the period from January 1980 to January 1982 were not billed for by TRA branch, which resulted in short recovery of Rs. 6.92 lakhs.

2.9 In this regard, the Communication Secretary stated during evidence:

> "..... in meter reading, if there is a complete revolution, the Supervising Officer must check up whether the meter reading is correct. On a test-check basis it must be done. Then the billing will go. In the Metro districts. computers will also check up whether calling rate is all right or if there is a spurt or a sudden reduction."

2.10 To a question as to when it was decided that the meters of heavy callers should be checked after every fifteenth day, a representative of the P&T Board stated that around 1970 they introduced large scale STD and they thought such a possibility would arise. Instructions were issued accordingly and it was done in the case of all the 4-digit meters numbering about one lakh and forty thousand. However, in a note, the Ministry of Communications conceded that 'There has been a failure on the part of the supervisory staff in not checking the revolution of the meters. The DET, Rourkela has been directed to fix responsibility and take action against the delinquent officials.' In another note the Ministry of Communication have stated that the disciplinary action was in progress and in the meantime instructions have been issued to ensure correctness in future.

2.11 The Committee enquired why the list of heavy callers was not maintained by the TRA branch in respect of Rourkela Steel Plant

and Township Telephone Exchanges and whether lists of all such subscribers were being maintained in all the Metropolitan cities to avoid similar situations even though 5-digit meters may have been installed there. The Ministry of Communications have, in a note, stated:

> "In TRA, as against the sanctioned strength of 26 clerks, only 16 clerks were posted. Due to this acute shortage of staff, only important items such as issue of bills, disconnection of telephones for non-payment of bills, etc. were being attended to and other items of work like maintenance of register of heavy callers was not being attended to properly. The shortage of staff has since been made up to some extent and the register of heavy callers is being maintained now. The remaining shortage of staff will be made up as soon as the present batch of clerks under training join duty in the next 3 months.
>
> In Metropolitan cities were the work of telephone billing and accounting is done through computers, no separate register of heavy callers is maintained. However, an output is being obtained from the computer showing large variations if any of the calls metered with reference to the calls made during the last three bi-monthly periods. One copy of this is sent to the Divisional Engineer of the Exchange to examine the cases in depth and to check the meters. Another copy is sent to the A.O. for review and for correction if necessary. The purpose of the heavy callers' register is thus achieved by this output from the computer."

2.12 Giving details of the action taken by the Divisional Engineer of an Exchange and Accounts Officer on receipt of output obtained from computer in respect of heavy callers, the Ministry of Communications, in a note, have stated:

> "(i) to check the correctness of the meter reading furnished to the computer cell with reference to the fortnightly meter reading register maintained in the exchange.
>
> (ii) to inform the AOs (TR) any discrepancies/inaccurancies noticed as per reading in the basic records.
>
> (iii) in case of meter changes, the actual number of gross calls recorded during the current bi-monthly period is intimated to the AO (TR).

(iv) whenever the number of full rounds are wrongly furnished by the exchange, the correct number of calls are informed to AO (TR).

(v) it is also examined whether the spurt in a particular fortnight is due to faulty functioning of the meter.

(vi) to verify whether there is any clerical mistake in the entries made in the meter reading register (including those about number of rounds).

The Accounts Officer takes the following action on the receipt of information/results of investigations/scrutiny of an output from the Divisional Engineer of an exchange.

1. The bills are revised and issued to the subscribers after reconciling the discrepancies/inaccuracies noticed in the meter reading;

2. In case of change in meters, the actual number of gross calls recorded during current bi-monthly period are noted in the records to issue the bill accordingly; and

3. Bills of heavy callers involving calls of more than 50,000 are checked with reference to High and Low Statement as well as meter reading statement from the exchange before issue to the subscriber. Any discrepancy noticed is brought to the knowledge of the exchange for further examination."

2.13 Asked whether Government was satisfied with the above arrangement in the Metropolitan cities, the Ministry of Communications have stated:

"The existing arrangement has not disclosed any serious lapses so far. However, the units are being advised to be more vigilant."

2.14 In a note furnished to the Committee on 13-5-1986, the Department of Telecommunications have intimated the latest staff position (clerks) in the concerned TRA Branch of the Orissa Telecommunication Circle and the extent to which various checks and safeguards provided in the Departmental rules including maintenance of list of heavy callers and fortnightly meter readings were being followed. The same is given below:

"The staff position (Clerks) in the concerned TRA Branch (i.e. Rourkela Engineering Division) of Orissa Telecom. Circle is now full as per its sanctioned strength. Various checks

and safeguards provided in the Departmental rules including maintenance of list of heavy callers and also fortnightly meter reading are now being followed."

2.15 As regards staff position and follow up of these rules in other Telecom. Circle/Districts in the country, the Department of Telecommunications have stated:

"Shortage of staff exists in some units where the expansion of the system has taken place, but we have not been able to sanction additional posts justified by standards due to ban on creation of posts. The units are striving to do their best with the existing staff."

2.16 The DGP&T informed Audit in July 1983 that in 89 out of 146 meters of private subscribers in whose case full revolutions had taken place in Rourkela but were not billed for by TRA Branch for the period January 1980 to January 1982, bills for Rs. 3.61 lakhs had been issued and Rs. 0.85 lakh had been realised by July 1983. It was further stated that special measures have been initiated to recover the balance amount. Asked to spell out (i) the basis on which these bills were issued to the concerned subscribers; (ii) the measures taken to recover the outstanding dues of Rs. 2.76 lakhs; and (iii) the present position of recovery of such outstandings, the Ministry of Communications have stated:

"The bills were issued on the basis of meter readings after careful verification and checking the records for all the periods. Though initially there was some objection/protest from some subscribers, they were convinced by the facts and figures given by the Divisional Office and settled the dues. Only a sum of Rs. 27,849.30 is now pending recovery from 5 subscribers.

The special measures initiated to recover the balance amount are:—

1. sending registered letters to subscribers explaining the circumstances in which short billing had occurred and requesting them for payment.

2. Deputing Phone Inspectors/Junior Engineers to contact subscribers personally.

3. Subscribers with heavy outstandings were contacted by the Accounts Officers on phone and also personally.

Only a sum of Rs. 27,849.30 is pending recovery from 5 subscribers. Out of short billing of Rs. 6,95,462.20 pointed out by the audit, bills were not required to be issued in respect of 56 cases amounting to Rs. 2,47,383.40 as these were the cases of errors of copying and of wrong recording the readings. Bills were issued for 90 subscribers amounting to Rs. 4,48,078.80, out of which, recovery amounting to Rs. 4,20,229.50 has since been made from 85 subscribers leaving a balance of Rs. 27,849.30."

2.17 The Department of Telecommunications, in their note dated 13-5-1986, have intimated that a sum of Rs. 25,968.30 out of Rs. 27,849.30 has since been realised leaving a balance of Rs. 1881.00 only. The case is being pursued by DET, Rourkela with the subscriber concerned as reported by GMT, Orissa circle.

2.18 To a question whether any such short billing was noticed and pointed out by the Internal Check Organisation and if not, what action has been taken against them, the Ministry of Communications have stated:

"The Internal Check Organisation of Orissa circle had not pointed out any such short-billing. The Internal Check is entrusted with the responsibility of generally test checking all the items of work being done in TRA including checking of meter reading register with reference to completion of revolution. G.M. Orissa Circle is being asked to fix responsibility for the failure on the part of Internal Check staff as well. Further instructions are also being issued in this regard."

2.19 The Ministry of Communications in a subsequent note have stated that action has been initiated by the G.M. Telecom. Orissa Circle, Bhubneshwar in the lapse noticed in Internal Check and instructions in this regard have been issued to all heads of Telecom. Circles/Telephone Districts on 12-9-1984.

2.20 The Committee desired to know year-wise details of cases of short billing due to revolutions of four-digit meters (non-replacement by 5-digit meters) and the amount involved in each case detected by

(i) Internal Check Organisations of the D.O.T. and (ii) Audit from 1980-81 onwards for the whole of the country and the recoveries effected so far in each case, separately for Government and private subscribers with separate figures for the Rourkela Steel Plant and township exchanges and the four Metropolitan cities. The figures furnished by the Department of Telecommunications in this regard are given below:

"1. (i) Cases of short billing due to revolution of 4 digit meters detected by I.C. Organisations of the D.O.T.

(Amount shown in Thousands of Rs.)

Other Places

Year	Govt.		Private		Amount recovered
	No. of cases	Amount involved	No. of cases	Amount	
1980-81 .	Nil				
1981-82	Nil				
1982-83	1	5	—	—	5
1983-84	1	4	10	37	41
1984-85	6	33	19	100	133
1985-86	1	5	12	34	36
Metro Districts					
1985-86	—	—	47	175	175
Rourkela Plant					
1983-84	—	—	12	44	44
Rourkela Township					
1983-84	2	6	10	45	51
		53	110	435	385

1. (ii) The cases of short billing due to revolution of the 4-digit meters (Non-replacement of 5-digit meters) and the amount involved, detected by Audit (as per relevant C&AG's Report and Draft Audit

Paras) from the year 1980-81 onwards for the country as a whole are given as under:

Year	No. of cases	Amount involved	Recoveries made
		Rs.	
1980-81	398	16,60,000	Fully settled
1981-82	Nil	—	—
1982-83	146	6,92,000	Whole amount settled except Rs. 1881 only o/s in one case
	544	23,52,000	
1983-84	Nil	—	—
1984-85	Nil	—	—
1985-86	Nil	—	—

The amount of Rs. 16.60 lakhs in 398 cases during the year 1980-81 relates to Calcutta Telephone District and the amount of Rs. 6.92 lakhs in 146 cases during the year 1982-83 mentioned above relates to Rourkela Steel Plant and Township exchanges."

2.21 Asked whether responsibility for such lapses has ever been fixed and action taken accordingly against the erring officials, the Ministry of Communications have stated:

> "As no malafide intention was noticed and the errors were only due to clerical mistakes, the officials at fault have been severely warned and cautioned to avoid such lapses in future."

2.22 The Committee wanted to know whether any system was prevalent in the Directorate for monitoring functioning of the Internal Check Organisations of the Department and for keeping a watch over implementation of these and other rules/instructions issued by the Directorate from time to time in letter and spirit. The Committee also desired to know whether short-billing/non-billing statements brought out by the Internal Check Units were furnished to the Directorate for final scrutiny and if not, how the Department kept control and exercised check over its finances and functioning of the telecommunications network. The Department of Telecommunications in a note have stated:

"The proper observance of the rules is being test checked by the Internal Check Organisation of the units and the functioning of the I.C. Parties is also checked up by the Director of Internal Check of Telecom. Directorate. The lapses noticed are pointed out to the units for remedial action and pulling up the officials at fault."

"The circle units submit their monthly progress reports to Directorate. These reports are reviewed and the circles are asked to investigate the causes and to take remedial measures to avoid their recurrence. Where serious lapses are noticed, these are brought to the personal notice of heads of circles|districts demiofficially by D.D.G.'s for him to take necessary action. The information showing amount of short|non-billing is also annually put up to the Telecom Board through performance report of the I.C.O. for each calandar year. The observations of the Board are communicated to the Heads of Circles|Districts for further necessary action at their end."

2.23 Asked what action was taken by the District|Circle heads if the Internal Check parties reported unsatisfactory position in a large number of cases at a particular place. Were the consolidated statements of all such matters reported by various Districts|Circle heads concerned to the Directorate for guidance and formulating a uniform policy at the central level to minimise recurrence of such cases in other telephone districts and also for efficient performance of the system as a whole. The Ministry of Communications have stated:

"Heads of Telecom Circles|Districts analyse the causes of large No. of irregularities|lapses brought out by the Internal Check Organisation of Circles|Districts are reported to Directorate through annual performance reports of their Internal Check Organisation and in the Directorate these are consolidated and put up to the Telecom Board for review and follow up action is taken on the minutes of the meeting of the Board held in this connection. In addition to this common serious irregularities|lapses are circulated amongst all Telecom Circles|Districts etc. for their information and guidance and for such remedial action as deemed fit to avoid their recurrence in their units."

2.24 The Audit Para points out that in the case of remaining 57 private subscribers in Rourkela Steel Plant and Township exchanges, bills were not issued as the notings of meter readings in thousandth and hundredth digits were found to be incorrect. The Department further stated that mistakes had occurred due to shortage of staff and deployment of inexperienced staff for recording the readings.

2.25 The Secretary, Communications explained the method of reading meters as under:

> "The method of meter reading is that an operator sits near the meter and usually that operator reads out the telephone number and the meter reading. Another person notes down and repeats the meter reading. So, that way we ensure that there is no mistake. These particulars are noted down in a register and then the Bill is sent. But I do agree that still human mistakes can be there. When the meter reading is done manually and then sent to the computer for preparing the bill, this can also result in a minor error and whenever the subscriber demands, we look into it."

2.26 The Committee desired to know how incorrect readings are noted, what action has been taken to prevent recurrence of such incorrect readings in future and what action has been taken against the officials responsible for non-observance of rules and instructions in this regard. The Ministry of Communications, in a note, have stated:

> "(i) Meter reading is a periodical item of work. In STD stations, meter readings are recorded every fortnight. Meter readings are taken by two persons at a time, one who will see the meter and read out the reading and the other who will record the reading in the statement. In this process, an error in the reading, hearing or writing may happen and then incorrect meter readings get noted. In fact, an examination of the 147 cases pointed out by the Audit revealed that in 30 cases, there were clear errors in transcriptions from the register in which the meter readings were noted to the quarterly meter reading statement. In another 26 cases, there were obvious incorrect readings noting of the meter readings apparently giving the impression that the meter had completed one revolution but factually it was not so as could be seen from the

previous and succeeding meter readings and also the calling pattern of the subscriber. In one case, the telephone was a service connection and so a bill was not required to be issued.

Further it is pointed out that 147 cases noticed by the audit cover a period over 2 years from January 1980 to January 1982. During this period, over 3000 meters have been read each 48 times and thus 1,44,000 readings were noted. It is submitted that the meters are arranged in rows of 20 each and they are of the size of 2"x2". The figures are very small and it throws a great strain on the eyes of the reader. When several hundred meters are being read, it is possible that an occasional error in reading may creep in.

There are several checks laid down to detect such errors.

(i) The reading of the meter by one person and noting of the readings in the register by another person and checking the readings by reverse process.

(ii) Test check of 10 per cent of the original work done by the meter reading operators.

(iii) Surprise test checks of meter, meter rooms and recorded meter readings by Inspecting Officers.

The existing instructions have been reiterated and the importance of the correct meter reading has been brought home to all concerned to prevent recurrence of such mistakes in future.

The Divisional Engineer Telegraphs Rourkela has been directed by the General Manager, Orissa Telecom. Circle to take action against the officials responsible for non-observance of rules and instructions."

2.27 The Committee enquired why the Department did not impart training to the staff engaged in this work and what steps were taken to reduce the shortage of staff for such an important work. The Ministry of Communications have stated:

"(i) The work involves only reading the meter and noting down the readings. These are done by a team of telephone Operators and does not require special training.

(ii) Shortage of Operators are only marginal. However, it is pointed out that due to absence of operators on account of illness or other reasons, sometimes operators put on this job do not have any prior experience in taking meter readings since the readings must be taken on specified dates."

2.28 It was pointed out that there was inconsistency in the Statements at (i) and (ii) above to the extent that on the one hand it is claimed that reading the meter and noting down the readings do not require special training and on the other it has been stated that some times operators put on the job do not have any prior experience in taking meter readings since the readings must be taken on specified dates. Asked to reconcile these two statements, the Ministry of Communications have stated:

"It was clarified in our reply that no special training is required to be imparted to the operators for taking the meter readings as the work is of a routine nature.

The meters to be read are of small size of 2"x2" and the figures are also very small....It requires experience to read the meters correctly. The posting of in-experienced operators to read the meters has led to errors. Instructions have been issued to all the units to exercise special care in recording the meter readings under No. 2-36|84-TR dated 6.8.84 and to carry out all checks for ensuring the correctness of meter readings scrupulously and to view any failure in this regard seriously."

2.29 The Committee note that with the introduction of large scale STD in the country around 1970, the DGP&T have repeated their resolve to replace 4-digit meters of all heavy traffic subscribers by 5-digit meters, as they were satisfied that short-billing could only be overcome through this change.

2.30 STD facilities were introduced in the Rourkela Steel Plant and township telephone exchanges from August 1979. This made it necessary to provide 5-digit meters in that township without delay. However, upto June 1982, the Department was successful in installing 5-digit meters only for 360 out of the 3138 working connections in that exchange. The remaining 2778 connections continued to have 4-digit meters. The Committee further observe that a test check by Audit of two exchanges at Rourkela in July 1982 revealed that the various checks prescribed in the Departmental Rules were not

strictly carried out either by the exchanges or by the TRA (Telephone Revenue Accounts) Branch. The register of heavy callers was not maintained by TRA Branch and meters of heavy callers were not checked every fortnight with the result that 157 full revolutions (in the meters of 146 private subscribers) for the period January 1980 to January 1982 were not billed for by TRA Branch resulting in short recovery of Rs. 6.92 lakhs.

2.31 Instructions were issued in 1970 that meters of all heavy callers should be checked fortnightly. Nevertheless, the Ministry was forced to note later that "there has been failure on the part of the supervisory staff in not checking the revolution of the meters. The disciplinary action initiated by the DET, Rourkela against the delinquent officials is still in progress and in the meantime instructions have been issued to ensure correctness in future." The Committee would like to be informed of the nature of action finally taken against the officials responsible for such a costly lapse. They would also like the Department of Tele-communications to strengthen their system of monitoring the implementation of various rules and instructions issued by them from time to time by their field formations in letter and spirit.

2.32 The Committee are informed that maintenance of lists of heavy callers in the Rourkela Steel Plant and Township telephone exchanges by the TRA Branch was not done due to shortage of staff. It has been reported that on staff being posted as per sanctioned strength in the TRA Branch in Rourkela Engineering Division, defects and defficiencies in conducting various checks and safeguards provided in the Departmental rules were remedied. The Committee hope that this situation will continue to be maintained in future by unrelenting maintenance of close vigil on the performance of the concerned staff.

2.33 The Committee are happy to note that all the 4-digit meters including those of heavy traffic subscribers in the Rourkela Steel Plant and Township telephone exchanges have since been replaced by 5-digit meters. The Committee trust that Government, taking a lesson from what was done in Rourkela, ensure that introduction of STD facilities and replacement of existing 4-digit meters by 5-digit meters is done simultaneously.

2.34. The Committee note that out of the short billed amount of Rs. 6.92 lakhs, only an amount of Rs. 1,881.00 remains to be recovered soon. .... ..

2.35 The Committee note that the Internal Check Organisation of Orissa Circle failed to point out the short-billing and its extent

although it is entrusted with the responsibility of generally test checking all the items of work being done in TRA Branch including checking of meter reading register with reference to completion of revolutions. The Department of Tele-communications have asked the G.M. Orissa Circle to fix responsibility for the failure on the part of Internal Check Staff. The Committee desire to be informed of the nature of action taken against the staff of Internal Check Organisation of Orissa Circle responsible for such negligence. They would also like to be apprised of the nature of further instructions issued in this regard and the extent to which their implementation had brought about improvement in the day to day working of the field formations.

2.36 The Committee note that the number of cases of short-billing due to revolution of 4-digit meters in the country as a whole detected by Internal Check Parties of the Department for the 6-year period from 1980-81 to 1985-86 were only 121 in number. Against this the C&AG's office detected 544 cases both for private and Government subscribers (398 in 1980-81 and 146 in 1982-83). A close scrutiny of the above figures gives an interesting reading. 398 cases involving an amount of Rs. 16.60 lakhs during 1980-81 relate to Calcutta telephones and 146 cases during 1982-83 involving Rs. 6.92 lakhs relate to Rourkela Plant and Township exchanges, which is also one of the subject matters of the Audit Para. Whereas the ICO of the Department could not detect a single case of short-billing throughout the country during 1980-81 and 1981-82 due to revolution of meters, the Audit could find as many as 398 such cases in 1980-81 and 146 cases during 1982-83 at 2 exchanges at Rourkela. The solitary case brought out by IC Organisation during 1982-83 was in respect of a Government subscriber involving Rs. 5,000. It is difficult to resist the conclusion that the Internal Check Organisations of the Department of Telecommunications have been functioning most unsatisfactorily. The Committee desire that the Department should devise a more effective system of monitoring their functioning at the Circle/District level as well as at the Directorate level.

.. 2.37 The Committee note that the proper observance of the rules is being test checked by the ICO of the Units and the functioning of the I.C. Parties is in turn checked up by Director of Internal Check of Telecom. Directorate. The lapses noticed are pointed out to the Units for remedial action and the defaulting officials are pulled up... The information showing amount of short non-billing is also annually put up to the Telecom. Board through performance reports of the ICO in each calendar year. The observations of the

Board are communicated to the Heads of Circles/Districts for further necessary action at their end. In addition to this, common serious irregularities/lapses are circulated among all Telecom. Circles/Districts, etc. for their information and guidance and for such remedial action as is deemed fit to avoid their recurrence.

2.38 Yet another disturbing feature in this case is incorrect reading of meters. The Audit have pointed out that in 57 out of 146 cases detected by Audit in test-check, bills were not issued as the notings of meter readings in thousandth and hundredth digits were found to be incorrect. The method of meter reading by an operator assisted by another person presently followed by the Department is stated to be foolproof... However, the Secretary, Communications, admitted during evidence that "still human mistake can be there. When the meter reading is done manually and then sent to the computer for preparing the bill, this can also result in a minor error and whenever the subscriber demands, we look into it." The need to improve the system of meter reading and the subsequent action of preparing bills in the interest of efficient subscriber service can hardly be over-emphasised. The Department of Telecommunications have prescribed some further checks such as reading of their meter by one person and noting in the register by another person and then checking the readings by reverse process, test checking of 10 per cent of original work done by the meter-reading operators, and surprise checks of meters, meter rooms of recorded meter readings by Inspecting Officers. The Department has not stated that the existing instructions have been reiterated and the importance of correct meter reading brought home to all concerned to prevent recurrence of such mistakes in future. The Committee would like to know the percentage of reduction in the issue of incorrect bills as a result of above mentioned measures taken by the Department. They would also like to be informed of the number of cases of non-observance of Departmental rules and instructions detected during 1985-86 in each telecom. district/circle and the action taken against the delinquent officials.

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NEW DELHI;
8 *April*, 1987
18 *Chaitra*, 1909 (*Saka*)

E. AYYAPU REDDY
Chairman,
Public Accounts Committee.

APPENDIX

Statement of recommendations and observations

Sl. No.	Para No.	Ministry concerned	Conclusions/Recommendations
1	2	3	4
1	1.28	Ministry of Communication (Department of Telecommunication)	Four digit meters installed in earlier year in certain telephone exchanges to record the number of local calls (including units of STD calls) record a maximum of 9999 calls, after which they revert (with the next call) to 0000 position again. As such, if total number of calls made during any billing period exceeds 10,000 the meter would indicate calls in excess of 10,000 with the result that there might be short billing for 10,000 calls for that period. To obviate such short-billing more frequent meter readings in the case of all heavy callers were prescribed in the telephone exchanges at Bombay. However, a test check of the bills in the telephone exchanges in Bombay conducted in 1966-67 disclosed that in 32 cases, underbilling to the extent of Rs. 48,838 had resulted due to infrequent reading of meters of 4-digits during the period April 1960 to June 1967. Replacement of 4-digit meters in all heavily worked exchanges by 5-digit meters was then decided by the Government. This was brought out in the Audit Report on P&T for the year 1966. The

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			Committee while commenting on this anomaly had recommended that the capacity of the Indian Telephone Industries (ITI) to supply 5-digit meters being limited, Government should explore the possibility of getting this item from manufacturers of other types of meters like electricity meters so as to replace all the 4-digit meters by 5-digit meters at the earliest to avoid loss of revenue. The Committee had also suggested that till 4-digit meters were replaced by 5-digit meters, it should be ensured that readings of 4-digit meters of all heavy callers were undertaken at least every fortnight to avoid under-billing and consequent loss of revenue. While accepting both these recommendations, Government had stated that in addition to supply from ITI they were trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. Government had also assured the Committee that fortnightly readings of all 4-digit meters would be taken.
2	1.29	Ministry of Communications (Department of Telecommunication)	The Committee also note that the Indian Telephone Industries (ITI) are not in a position to meet the total requirements of the Department for the 5-digit meters. Their present production is barely sufficient to take care of the expansion schemes of the Department. As against the order for 1,45,376 pieces placed on ITI during 1981-82, only 25,753 nos. (about 18 per cent) were supplied by March 1984 and during the next 5 years 1982 83 to 1986-87 (upto 30-9-1986)

a paltry 34,849 were supplied (no supplies were made during 1983-84) leaving a balance of 95,174 pieces pending supply with the ITI as on 1-10-1986. An additional purchase order for supply of 1,33,000 5-digit meters was placed on the undertaking on 18-9-1986. Thus the total orders pending now with ITI are for 2,28,174 nos. This illustrates the gap between demand and supply. The ITI is procuring these DMs from the indigenous sources M/s. Keltron and M|s. Maroli Meters, Bangalore. The annual production capacity of each of these vendors is stated to be 50,000 nos. The supplies from these manufactures are not sufficient to meet the total requirement of ITI and the DOT. Moreover, these are not found to be of required specifications. Large numbers were found to fall short of specified rigorous tests. The supplies from each of these manufacturers during the 4 years 1983-84 to 1986-87 were 1,74,856 and 96,726 (total 2,71,582) respectively. Whereas average production of this item at M|s. Keltron had reached its maximum capacity (about fifty thousand per year), M|s. Maroli Meters could achieve only 55 per cent of their rated capacity although supplies from that unit were regular. Since the machines for production of 5-digit meters are available indigenously, the Committee desire that M/s. Keltron may be encouraged and helped to increase their production capacity to at least 1,00,000 pieces per year. The Department of Telecommunications should also provide all technical assistance to M/s. Maroli Meters and ensure that this Unit attains its rated capacity of 50,000 meters per year. The Committee also hope that efforts would be made to come over labour

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			and power problems being faced by these two units. The Committee are happy to note that two Units — M/s. Lucor Engineering, Bangalore and M|s. Rao Insulating Co., Bangalore are being developed as alternate sources for supplying these meters and their samples have since been approved. The Department expected about 20,000 meters per year from each of these new sources. The Committee hope that orders have been placed and bulk supplies since commenced from these Units. They would like to be informed of the progress made in this regard
3	1.30	Min. of Communications Dep. of Telecommunications	To bridge the gap between demand and supply of 5-digit meters, the ITI made efforts to import meters by floating global tenders but it did not fully succeed in its efforts. One lakh 5-digit meters imported were for cross-bar exchanges but a supplier for these meters for strowger exchanges could not be located. The Department has, however, to depend on indigenous sources only. A comprehensive programme is stated to have been drawn up recently with the ITI to replace all the 4-digit meters in all exchanges having STD facility, in a phased manner. The Committee regret to note that all the efforts of the Department of Telecommunications are directed towards replacing 4-digit meters only in exchanges having STD facilities. They have made no mention of the existing 4-digit meters in the country numbering 5,19,200 as on 1-4-1986 covering all exchanges having measured rate tariff structure. While the Committee appreciate the

various steps that are being taken to resolve this urgent problem, it is clear that much more needs to be done in this direction and whatever has to be done is done expeditiously. Taking note of the fact that the average indigenous supply rate of 5-digit meters from ITI is about 14,000 pieces per year and the item is not available for import in the World market, the Committee apprehend that the work of replacement of 4-digit meters even in the exchanges having STD facilities may take the Department another two decades to accomplish this first phase of the project. Complete elimination of 4-digit meters from all exchanges (whether Strowger or others) having this type of meters would need a further period of 15 years i.e. in all about 35 years are required to do the job. This is squarely a situation which cannot be viewed with equanimity.

4. 1.31-1.33 Do. It was in 1968-69 that the Committee had in paragraphs 2.25 and 2.26 of their 40th Report (Fourth Lok Sabha) made following recommendations in regard to installation of 5-digit meters:

> "2.25 The Committee note that a test checking of bills for the Telephone Exchange in Bombay had revealed that in 32 cases, short billing to the extent of Rs. 48,838 had resulted owing to infrequent readings of meters with provision for 4 digits only. The Committee note that the Department have now decided to replace the 4 digit meters in heavily worked exchanges by 5 digit meters. The Committee feel

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			that if the Department had exercised due care in the beginning, they would have provided 5 digit meters *ab initio* in heavy exchanges, as is now being done for exchanges fitted with cross bar equipment."
		2.26	The Committee note that the capacity of the Indian Telephone Industries to supply 5 digit meters is limited and that it would take three years to replace 4 digit meters by 5 digit meters in heavily worked exchanges. The Committee suggest that Government may examine the possibility of getting the telephone meters of 5 digits from manufacturers of other types of meters like electricity meters so as to replace the 4 digit meters at the earliest to avoid loss of revenue. In the meantime the Committee stress that every care should be taken to ensure that meter readings from the 4 digit meters are undertaken at least once a fortnight to avoid under-billing of the nature indicated in the Audit para."
			The then Department of Communications (P&T Board) in their Action Taken Note dated 17-7-1969 had, *inter alia* stated that in addition to the supply from I.T.I., they were also trying to establish independent indigenous sources in private sector for manufacture and supply of 5-digit meters. According to the then supply programme of these

meters for the five years (1969-70 to 1973-74) indicated by M|s. I.T.I., the total availability of this item both from the undertaking and through indigenous purchase was estimated to be 13.84 lakhs out of which 6.81 lakhs were earmarked for replacements. The Department had assured that they would continue to pursue the question of supplies with the I.T.I. They had also then given assurance that unless 4-digit meters were replaced by 5-digit meters, meter reading would be taken every fortnight.

Despite these decisions and the assurances the Committee are appalled to find that hardly any improvement in the situation has taken place today, that is after 23 years. On 1-4-1986, there were still in use 5,19,000 four-digit meters, very nearly the same number as in 1968-69.

The Committee can only reiterate their earlier recommendations and in addition record their desire that Government undertake an emergent review of the entire position with a view to issuing strict directions for ensuring the replacement of all existing four-digit meters by five-digit meters in the shortest possible period, laying down at the same time a machinery for ensuring that the progress in the implementation of the direction is adequate.

5.	134-135	Min. of Communications (Dept. of Telecommunications)	According to the latest position furnished by the Department of Telecommunications in this regard on 27-11-1986, the Committee

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			understand that all the heavy traffic subscribers in the country have been identified upto 31-3-1986 and their 4-digit meters numbering 86,394 been replaced by 5-digit meters. The Ministry of Communications intimated on 6-6-1986 that the remaining 2,74,271 4-digit meters relating to all the exchanges in the country having STD facility would be replaced by 5-digit meters progressively depending upon the supply position and this is being kept under watch. In addition to the above, field units have also been asked to provide all STD subscribers with 5-digit meters from the STD-barred subscriber groups.
			The Committee feel that as the calling rates of telephone subscribers vary from time to time depending on the exigencies of their needs it is all the more necessary to complete this job at the earliest. The Committee, therefore, desire that keeping in view the need of replacements and expansion, more vigorous efforts are called for to procure 5-digit meters from all possible sources and instal them in place of existing 4-digit meters in the country under a phased time bound programme. The Committee would emphasise the need for locating more new sources of supply of 5-digit meters from amongst the manufacturers/suppliers of electricity/water and other types of meters in private/cooperative sector. The Committee feel that in this age of high technology, it should not be impossible to establish adequate production of this item howsoever critical it may be.

6.	2.29	Min. of Communications (Department of Telecommunications)	The Committee note that with the introduction of large scale STD in the country around 1970, the DGP&T have repeated their resolve to replace 4-digit meters of all heavy traffic subscribers by 5-digit meters, as they were satisfied that short-billing could only be overcome through this change.
7.	2.30	Do.	STD facilities were introduced in the Rourkela Steel Plant and Township telephone exchanges from August 1979. This made it necessary to provide 5-digit meters in that township without delay. However, upto June 1982, the Department was successful in installing 5-digit meters only for 360 out of the 3138 working connections in that exchange. The remaining 2778 connections continued to have 4-digit meters. The Committee further observe that a test check by Audit of two exchanges at Rourkela in July 1982 revealed that the various checks prescribed in the Departmental Rules were not strictly carried out either by the exchanges or by the TRA (Telephone Revenue Accounts) Branch. The register of heavy callers was not maintained by TRA Branch and meters of heavy callers were not checked every fortnight with the result that 157 full revolutions (in the meters of 146 private subscribers) for the period January 1980 to January 1982 were not billed for by TRA Branch resulting in short recovery of Rs. 6.92 lakhs.
8.	2.31	Do.	Instructions were issued in 1970 that meters of all heavy callers should be checked fortnightly. Nevertheless, the Ministry was forc-

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			ed to note later that "there has been failure on the part of the supervisory staff in not checking the revolution of the meters. The disciplinary action initiated by the DET, Rourkela against the delinquent officials is still in progress and in the meantime instructions have been issued to ensure correctness in future". The Committee would like to be informed of the nature of action finally taken against the officials responsible for such a costly lapse. They would also like the Department of Tele-communications to strengthen their system of monitoring the implementation of various rules and instructions issued by them from time to time by their field formations in letter and spirit.
9.	2.32	Min. of Communications Department of Telecommunications	The Committee are informed that maintenance of lists of heavy callers in the Rourkela Steel Plant and Township telephone exchanges by the TRA Branch was not done due to shortage of staff. It has been reported that on staff being posted as per sanctioned strength in the TRA Branch in Rourkela Engineering Division, defects and deficiencies in conducting various checks and safeguards provided in the Departmental rules were remedied. The Committee hope that this situation will continue to be maintained in future by unrelenting maintenance of close vigil on the performance of the concerned staff.
10	2.33	—Do—	The Committee are happy to note that all the 4-digit meters including those of heavy traffic subscribers in the Rourkela Steel Plant and Township telephone exchanges have since been replaced by 5-digit

			meters. The Committee trust that Government, taking a lesson from what was done in Rourkela, ensure that introduction of STD facilities and replacement of existing 4-digit meters by 5-digit meters is done simultaneously.
11	2.34	-Do-	The Committee note that out of the short billed amount of Rs. 6.92 lakhs, only an amount of Rs. 1,881.00 remains to be recovered soon.
12	2.35	-Do-	The Committee note that the Internal Check Organisation of Orissa Circle failed to pointout the short-billing and its extent although it is entrusted with the responsibility of generally test checking all the items of work being done in TRA Branch including checking of meter reading register with reference to completion of revolutions. The Department of Tele-communications have asked the G.M. Orissa Circle to fix responsibility for the failure on the part of Internal Check Staff. The Committee desire to be informed of the nature of action taken against the staff of Internal Check Organisation of Orissa Circle responsible for such negligence. They would also like to be apprised of the nature of further instructions issued in this regard and the extent to which their implementation had brought about improvement in the day to day working of the field formations.
13	2.36	-Do-	The Committee note that the number of cases of short-billing due to revolution of 4-digit meters in the country as a whole detected by Internal Check Parties of the Department for the 6-year period from 1980-81 to 1985-86 were only 121 in number. August this the C&AG's

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14	2.37	Min. of Communications Deptt. of Telecommunications	The Committee note that the proper observance of the rules is being test checked by the ICO of the Units and the functioning of the I.C. Parties is in turn checked up by Director of Internal Check of Telecom. Directorate. The lapses noticed are pointed out to the Units for remedial action and the defauling officials are pulled up.

The information showing amount of short non-billing is also annually put up to the Telecom. Board through performance reports of the ICO in each calendar year. The observations of the Board are communicated to the Heads of Circles/Districts for further necessary action at their end. In addition to this, common serious irregularities|lapses are circulated among all Telecom. Circles|Districts, etc. for their information and guidance and for such remedial action as is deemed fit to avoid their recurrence.

15 2.38 -Do- Yet another disturbing feature in this case is incorrect reading of meters. The Audit have pointed out that in 57 out of 146 cases detected by Audit in test-check, bills were not issued as the notings of meter readings in thousandth and hundredth digits were found to be incorrect. The method of meter reading by an operator assisted by another person presently followed by the Department is stated to be foolproof. However, the Secretary, Communications, admitted during evidence that "still human mistake can be there. When the meter reading is done manually and then sent to the computer for preparing the bill, this can also result in a minor error and whenever the subscriber demands, we look into it." The need to improve the system of meter reading and the subsequent action of preparing bills in the interest of efficient subscriber service can hardly be over-emphasised. The Department of Telecommunications have prescribed some further checks such as reading of the meter by one person and noting in the register by another person and then checking

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